

Assembly Committee on Energy and Utilities

2009 Assembly Bill 566 - PSC Remedial Legislation

Public Hearing

March 3, 2010

Testimony of the Public Service Commission of Wisconsin

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Administrator – Telecommunications Division

Thank you for the opportunity to testify on AB 566. This bill addresses several remedial modifications to Wis. Stat. ch. 196 as suggested by the Public Service Commission (PSC). The bill proposes to revise some references that are no longer relevant, to modify some dates and deadlines for certain PSC actions and reports, and to remove references that no longer make sense. The changes are of a substantially administrative nature, and the PSC urges your support of these updates and clarifications. More specifically, the changes proposed are as follow:

Section 1 – 196.09(9)(a)2

This relates to depreciation by telecommunications utilities. The change proposed provides for a triennial rather than biennial review of depreciation rates. This change offers a more practical time frame for these reviews given recent experience with needs to adjust depreciation schedules. If there are instances where a utility believes a change to depreciation rates is needed sooner than would be covered by this proposed triennial review, it has an existing option – not modified by this proposal – to petition the PSC for such a review. This change simply reduces an administrative burden on the PSC and the telecommunications utilities.

Section 2 - 196.196(1)(g)1.

Section 3 – 196.196(1)(g)4.

These sections relate to price regulation, a type of regulation allowed by law and which currently applies to AT&T and Verizon. These changes merely repeal outdated provisions on deadlines that are no longer relevant to utility elections of this price regulation status.

Section 4 – 196.196(5)(f)1.(intro.)

Section 5 – 196.196(5)(f)1.e.

Section 6 – 196.196(5)(f)1.f.

These sections all relate to a report that the PSC biennially files with the legislature on the status of telecommunications investments and infrastructure in the state. The changes proposed remove a date no longer relevant, adjust the reference as to with whom the report is filed, and update examples of the subject matter that the report should address. These changes will retain the filing of the report; the draft bill's provisions merely clarify the language.

Section 7 – 196.215(7)(b)1.

Section 8 – 196.218(4)

The changes to these sections remove references to dates long passed.

Section 9 – 196.218(5m)

This section relates to the universal service fund (USF). This change modifies the requirement for periodic PSC review of its USF rules. The bill changes the requirement from a biennial review to a review as appropriate.

Section 11 – 196.218(5r)(a)(intro.)

This relates to the PSC's report to the legislature concerning the USF. The proposed change makes the filing schedule for the USF report biennial, rather than annual. (Current law allows the USF report to be part of the PSC's infrastructure report to the legislature. That infrastructure report is a biennial

report, so this change synchronizes the filing schedules.) This change also updates the reference as to with whom the legislative report is filed.

Section 13 – 196.218(9)

This section relates to a PSC report on emergency telephone services and the universal service fund. The report noted in this statute section was due – and was filed – by January 1, 1997; thus this statutory provision is no longer needed.

Sections 10 and 12

These are two technical changes that the PSC had not initially recommend, but that the Legislative Reference Bureau staff added for clarification.

In Section 10, s. 196.218(5r)(title) is repealed and recreated.

In Section 12, there is a clarifying change to a reference in s. 196.218(5r)(b).

The PSC has no issue with these two changes.

The PSC respectfully requests legislative support to make these administrative changes and updates to Wis. Stats. Ch. 196. Thank you.

Please contact me if you have questions or need further information.

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